

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



CORRECTED
FISCAL MEMORANDUM
HB 2289 – SB 2239

June 2, 2009

SUMMARY OF AMENDMENT (008014): Adds language to the original bill that requires the Commissioner of Commerce and Insurance to establish and maintain an all payer claims database. Creates the Tennessee Health Information Committee to provide recommendations to the Commissioner of Finance and Administration in assisting with improving the accessibility and affordability of patient health care and health care coverage; identifying health and health care needs and informing health and health care policy; determining the capacity and distribution of existing health care resources; evaluating the effectiveness of intervention programs on improving patient outcomes; reviewing costs among various treatment settings, providers, and approaches; and providing publicly available information on health care providers' quality of care. The Committee shall provide a description of the data sets that will be included in the all payer claims database, a method for data submission, and security measures. All members of the Committee will serve without compensation or travel expenses.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Exceeds \$10,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On May 14, 2009, we issued a fiscal memorandum indicating a *decrease in state revenue which exceeds \$10,000 and an increase in state expenditures which exceeds \$200,000*. The fiscal impact of this bill as amended is estimated as follows:

(CORRECTED)

Decrease State Revenue – Exceeds \$10,000

Increase State Expenditures – Exceeds \$200,000/One-Time

Exceeds \$200,000/FY10-11 and Subsequent Years

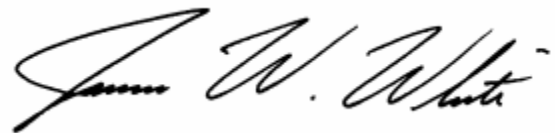
Assumptions applied to amendment:

HB 2289 – SB 2239 (CORRECTED)

- In 2008, 54 of the 150 utilization review agents paid the \$1,000 fee.
- According to the Department of Commerce and Insurance, a few utilization review agents will be accredited by the National Committee for Quality Assurance and will no longer have to pay the annual fee of \$1,000. The Department does not know the exact number of agents. It is assumed that 10 agents will receive accreditation.
- According to the Department of Commerce and Insurance, there is not currently a database that collects the required information. Based on similar databases that the Department is involved with, the Department estimates that the creation of the database will take a year due to the complexity of the data and the interaction with the Health Information Committee. It is estimated the creation of the database will result in an increase in one-time expenditures of at least \$200,000.
- Starting in FY10-11, the Department will staff and maintain the database resulting in an increase in recurring expenditures of at least \$200,000.
- The Tennessee Health Information Committee members will serve without compensation or travel reimbursement. Any administrative costs incurred by the Committee will not be significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

/kml